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**MAYOR EMANUEL ANNOUNCES \$20 MILLION SETTLEMENT
BETWEEN CITY OF CHICAGO AND REDFLEX**

Former Red Light Camera Operator to Pay Damages After Committing Fraud

Mayor Rahm Emanuel today announced that the City of Chicago and Redflex Traffic Systems, Inc. and its Australian parent company, Redflex Holdings Ltd., have agreed to a \$20 million settlement. The settlement ends a civil lawsuit that accused the former operator of the City's Automated Red Light Enforcement program of committing fraudulent acts and making false statements while obtaining the contract in 2003 and during the subsequent expansion of the program.

"The City of Chicago will not stand by while a company takes advantage of our taxpayers, and I hope that this serves as a warning to other companies that do business or hope to business with the City that we will hold those who try to take advantage of taxpayers accountable," said Mayor Emanuel. "This settlement will allow the City of Chicago to recoup and rededicate funds to improving the lives of our residents."

In December 2015, the City filed an amended complaint that claimed Redflex violated the City's False Claims ordinance, False Statements ordinance and the Consumer Fraud, Unfair Competition or Deceptive Practices ordinance. The City also filed claims for breach of contract, civil conspiracy, unjust enrichment, and payment of kickbacks in connection with City contracts. This \$20 million settlement resolves all of the claims in the suit.

"We are pleased that we were able to reach a substantial, multi-million dollar settlement with a company facing serious financial challenges. This represents an excellent outcome for taxpayers and allows the City and the company to move forward," said Corporation Counsel Steve Patton.

A former official and a consultant from Redflex and a former City employee have plead or been found guilty in a federal criminal prosecution for their wrongdoing related to the selection of Redflex as the vendor and the growth of the program. Mayor Emanuel terminated the contract when Redflex's fraudulent actions came to light in October 2012.

Since that time, Redflex has fully cooperated with the City and other agencies in their investigations, removed the employees responsible for the misconduct, and enacted measures to prevent such fraud from occurring in the future. Redflex also entered into a non-prosecution agreement with the United States Department of Justice in December 2016. When the City terminated the Redflex contract in 2013, Redflex worked closely with, and undertook extra efforts for, the City in order to provide an orderly transition to the City's new vendor.

The settlement will be paid in installments during the next six years, with \$5 million to be paid within 45 days and another \$5 million to be paid before December 31, 2017. The remaining \$10 million will be paid in increasing annual installments, starting at \$1 million in both 2018 and 2019, \$1.5 million in both 2020 and 2021 and \$2.5 million for the final two years of the settlement, ending in 2023.

Since taking office, Mayor Emanuel has instituted a series of reforms to the red light camera enforcement program, including removing 78 cameras at 39 intersections in response to a review of crash data, working with the Inspector General to review the program, strengthening management oversight, using improved technology, and adding more public transparency and more public input to the process.

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